

Royalty Reporting and Control (RRAC) FAQs

1. Q: HOW ARE UNITS REPORTED IN THE NEW SYSTEM?

A: Under the new system, you will report unit production and disposition volumes on the lowest numbered lease in the unit for each RRC ID. While this will be very close to the unit report in the current system, a unit report in the new system will be required for each RRC ID as opposed to rolling up the volumes on all your RRC ID's.

The other leases in the unit will show royalty due volumes for each RRC ID. These reports will be very similar to tract reports in the current system. However, in the new system the reports will be based on each RRC ID as opposed to rolling up volumes.

For example, assume you are reporting 11 RRC IDs on a unit report. Next, assume this unit has 12 leases on it. A report is required to be filed on each RRC ID for each lease for a total of 132 reports (11 RRC IDs X 12 leases) in the new system.

2. Q: HOW ARE AMENDMENTS HANDLED IN THE NEW SYSTEM?

A: To file an amendment complete the following:

- a. File an amendment report that completely reverses the entire report you wish to amend; and
- b. File a new report that rebooks your new report with all pertinent data included; or
- c. Have the system automatically generate the reversal entry by providing the Report ID on the amendment. This method is an optional way for customers who prefer to file a single report.

3. Q: WHAT IS XML?

A: XML stands for EXtensible Markup Language. XML was created to structure, store, and transport information. XML is quite common in web based applications and has become a standard for transporting data in the web environment.

4. Q: HOW DO I GENERATE XML?

A: XML is an open standard which means that any company can generate an XML file that will meet our new system's requirements based on the specifications we have provided online.

Currently the GLO does not have a means to generate XML for each company, but we will be providing some options in the future. The XML we accept is

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defined by the XML Schema Definition (XSD) published on our site. There are many 3rd party tools available to generate the XML from a given XSD file. We also have a sample XML file to use for testing.

Please remember that you are not required to submit GLO 1, 2, and 3 reports in the XML until January 2013. However, we encourage companies to begin using XML at their earliest convenience as it is a more modern and flexible solution.

5. Q: - WHAT TOOLS IS THE GLO PROVIDING TO ASSIST ME IN MEETING THE NEW REQUIREMENTS?

A: In the next few months the GLO will offer two -solutions that will help companies satisfy the new requirements:

1. Excel to XSD Mapping – This solution will allow a company to use the GLO's Excel-based GLO 1, 2, and 3 templates and export them to an XML format.
2. Online GLO 1, 2, and 3 Forms – The new Royalty Reporting and Control System (RRAC) will include an online version of the GLO 1, 2, and 3 forms that companies may use to enter data directly into our system. Using these forms that are part of the RRAC application will ensure that you meet - our reporting requirements and business rules - eliminating the need for reporting in the XML standard or uploading your files.